GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:2953
ANSWERED ON:07.12.2000
PRIVATISATION OF CENTAUR HOTEL
K.H. MUNIYAPPA

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the Centaur Hotel run by Hotel Corporation of India (an Air-India subsidiary) is being considered for privatisation;

(b) if so, the reasons therefor;

(c) whether the Centaur Hotel has been incurring heavy losses for the last many years due to low occupancy and mismanagement; and

(d) if so, the steps taken by the Government in this regard?

Answer

THE MINISTER OF CIVIL AVIATION(SHRI SHARAD YADAV):(a) and (b): It has been decided to disinvest HCI, a wholly owned subsidiary of Air India and the revenue thus realized would accrue to Air India which is suffering from losses since 1995-96.

(c) and (d) : Out of four Hotel Units under the Hotel Corporation of India, two Units are suffering losses due to following reasons:-

(i) the Centaur Delhi had not been renovated since its inception which resulted in continuous deterioration;
(ii)
the above factor has led to decline in hotel occupancy and thereby reduction in revenue earnings;
(iii) The Centaur
Srinagar has been incurring losses since inception except in 1987-88, due to political disturbances in the Valley from 1988.

The steps being taken to turn the loss making units into profitable, include the renovation of 100 rooms in Centaur Delhi; intensive sales campaign covering corporate houses; launching of Millennium offer; introduction of Centaur Gold Card, etc.